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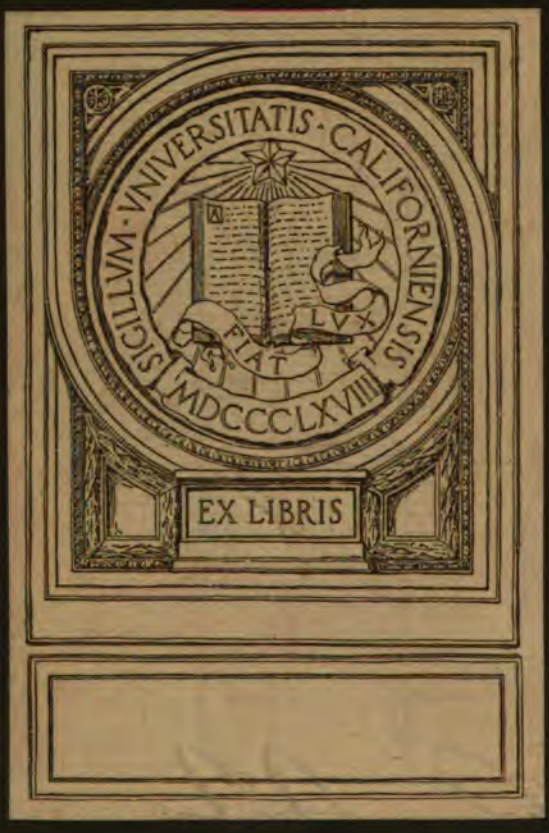
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THE MINIMUM WAGE

A DEBATE

University of Chicago

1914

THE CHICAGO DEBATING TEAMS
1913-1914

Harry O. Rosenberg Benj. F. Bills Arnold R. Barr

Affirmative Team
Chicago vs. Michigan

Leon W. Powers Ralph J. Swanson Willard E. Atkins

Negative Team
Northwestern vs. Chicago

The Minimum Wage

A DEBATE

The Constructive and Rebuttal Speeches of the representatives of

THE UNIVERSITY OF CHICAGO

In the Sixteenth Annual Contests of the Central Debating League against Michigan and Northwestern,

JANUARY 17, 1914

QUESTION:

"Resolved, That the States should Establish a Schedule of Minimum Wages for Unskilled Labor, Constitutionality Conceded."

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FOREWORD

The subject of the debate contained in this little booklet is of commanding interest. The problem of low wages and the means of ameliorating the harsh conditions that follow in consequence is as old as recorded history and knows no nationality. From the utterance of the scriptural passage, "The poor we have always with us," down to the present age of industrial unrest, the problem presented by the "submerged tenth" has been ever present,—in countries rich and poor, in nations altrustic and in nations materialistic. How to raise the masses above the margin of subsistence and place them on the high road to a decent human existence, if not to fortune, is a question worthy of all the attention it has received. "The greatest good to the greatest number" is the basic principle of democratic institutions, and to deny a sympathetic hearing to the cause of suffering humanity is to forfeit in these days the respect of all right minded citizens.

Among the many measures for raising the standard of living of the masses that have been presented none holds forth such splendid promise, and none has been so vigorously attacked as the minimum wage. In the debates printed in this volume both sides of this great question are vigorously expounded. It is believed that the debate constitutes a real contribution to the literature of a vital subject.

H. G. MOULTON, Debating Coach.

University of Chicago, March 1, 1914.

The Debate

HARRY ROSENBERG, FIRST AFFIRMATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen--

In advocating a minimum wage it becomes the duty of the affirmative to justify such a measure. In 1911 Commissioner Neill made a report on conditions at Lawrence, Mass., and found that 7,000 woolen mill employes working full time received a wage of less than $7 a week. The Senate Investigating Committee finds that 65% of the women and girls in the department stores and factories of this country receive less than $8 a week. The Immigration Commission reports that our largest industry, iron and steel, pays its unskilled workers a wage of $8 a week. This rate also prevails in cotton goods manufacturing, in dyeing silk, and in the bituminous coal industry. John C. Kennedy finds that $8 a week is the wage paid the unskilled workers in the Stock Yards of Chicago, our second largest industry. Mr. Streightoff in his book, "The Standard of Living in the United States," tells us that 92,000 grown men, not women or children, are receiving less than $3 a week, 350,000 less than $5, 1,000,000 less than $8, and 2,000,000 less than $10 a week.

What can the average family of a man and wife and three children do on a wage of $10 a week? The Settlement League submits a list of expenditures which it says constitutes a minimum below which a family cannot go for any length of time without impairing its vitality and cutting off the possibilities of future development. The League includes such items as food, clothing, light, fuel, rent, and medical necessities, and finds that the minimum necessary is $733. In contrasting this minimum with the wage actually received, $8 a week, the League adds: "Here we have the reason why so many women and children are forced to go to work, and why the family has to take in boarders to supplement its income."

This is the case in Chicago. Other experts upon the standard of living, Scott Nearing, Mrs. Moore, and Dr. Chapin, tell us that all over the United States it costs from $600 to $900 a year, or from two to three dollars a day, to

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maintain an average family in a state of physical efficiency. And remember, our unskilled workers are not receiving a wage of ten dollars a week, but eight, six, five, and even less.

Is it any wonder that these people live crowded together in the most wretched, germ-breeding hovels, taking in boarders and lodgers, who destroy the privacy of the home; is it any wonder, then, that the mothers and children are forced to compete with the husbands and fathers in toiling long hours in the mills and mines; is it any wonder that our alms houses, our hospitals, our insane asylums, our jails are filled to overflowing; that our Chicago board of education tells us that five thousand of our school children are habitually hungry, that fifteen thousand more are under-nourished and underfed; and that the conservative Medical Record points out that the lower classes of this country are chronically in a state of mal-nutrition?

Let us not forget that these men and women and children are the present and the future citizens of this country, and that the strength of our nation is not in our armies and our fleets, but in the well-being of the mass of our citizens. Do we want a race of pale, emaciated, undersized weaklings, or a race of strong, stalwart men and women? This is not a question of sentiment. These are the hard and cold facts.

When conditions such as these exist, there must be something wrong with our wage system. They are not due to a lack of productivity on the part of the American people. The United States is not poverty-stricken. We are richer than we have ever been before. Our total wealth has increased from seven billion dollars in 1850 to a hundred and seven billion dollars; our per capita wealth from $130 to $1,300, showing that there is enough wealth in this country but that it is being unequally distributed.

The returns from industrial developments are almost unbelievable. In 1912 Commissioner of Corporations Conant reported that the earnings of the Harvester Co., here in Chicago, which paid its girls $6 a week, was at the rate of 12½ per cent. Julius Rosenwald admitted before the O'Hara Investigating Committee that the earnings of Sears, Roebuck & Co. for 1912 were $7,000,000 or 16 per cent on common stock. James Simpson of Marshall Field & Co. admitted that the earnings of his concern were so large that it could raise the wages of its girls from $8 to

$12 a week. In the last ten years the United States Steel Corporation has disbursed in dividends in excess of a fair return upon its capital the sum of $700,000,000. When, despite this great increase in prosperity, despite this miraculous wealth-gathering, millions of the workers of the land are hungry, there must be something wrong with our wage system.

We of the affirmative believe that unskilled labor is earning and producing enough to maintain itself in a state of physical efficiency, but that it is being deprived of a fair return upon the product which it contributes. The wage that a labor group receives is determined by the relative bargaining strength of the employer and employee. Under present competitive conditions the bargaining strength of the employer is greater than that of the worker because (1) the employer has better knowledge of labor and market conditions than has the inexperienced and often times foreign worker; (2) the employer has greater reserve power than has the worker. If the employer does not make a contract with the worker at once, it means at most a question of a day's profits. But if the worker does not make a contract with the employer, it may be a question of livelihood with him. A man with an empty stomach and starving wife and children, is surely in an inferior bargaining condition to the rich and secure employer. (3) There is under-cutting by the workers. Driven by the stress of necessity, one worker will take a job at less than will another. As a result of these three causes, the wage that the labor group finally receives is determined not by its worth but by the bargaining strength of the weakest member of the group.

That bargaining strength and not worth determines the wage that the group receives is evidenced by those cases where unskilled labor has been able to raise its wages. Take the case of the Stock Yards workers of Chicago. They were receiving a wage of 15 cents an hour, they organized a union and forced up their wages to 17½ cents an hour. When the union was destroyed their wages again fell to 15 cents an hour. Yet who will say that their worth has either increased or diminished? Take the case of the girls in the Walk-Over Shoe Co., in Brockton, Mass. They were receiving a wage of seven dollars a week. They organized a union, increased their bargaining strength,

and forced wages up to nine dollars a week. Yet will any one say that they were worth any more the day after organization than they were the day before organization? Here is the case of the teamsters of St. Paul and Minneapolis. The St. Paul teamsters have a union. They receive a wage of $2.25 a day. The Minneapolis teamsters have no union. They receive a wage of $1.75 a day. The St. Paul teamsters have greater bargaining strength, they have better knowledge of conditions, greater reserve power, less under-cutting. The Minneapolis teamsters have inferior bargaining strength, they have less knowledge of conditions, less reserve power, more under-cutting. Mr. Huffcutt, their employer, admits that the difference in wage is due, not to a difference in worth, but to a difference in the insistence of demand, meaning thereby, a difference in bargaining strength.

If the unskilled worker were able to organize, the need for the minimum wage would not be so imperative. But unskilled labor cannot organize. Here and there have appeared isolated cases of organization, but in the main it cannot organize. In the words of Hobson, the Economist, "The unskilled workers are too poor, too weak, too ignorant." Then they are of diverse nationalities, languages, and ideals, and organization among them is fought by the rich and powerful capitalists who profit from cheap labor. In the absence of organization, there is nothing to prevent the employer from grinding down the wages of the worker to the starvation point, unless the state should step in with a minimum wage. The minimum wage cannot increase the bargaining strength of the workers; it cannot give them better knowledge of conditions, or greater reserve power; but it can say to the employer: "You may exercise your bargaining strength, but here is a point below which you shall not force down wages of helpless, unskilled labor." This is the justification for the minimum wage.

WILLARD ATKINS, FIRST NEGATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—

Speeches like the one to which we have just listened have moved audiences since the world began. To portray the harsh conditions that fall to the lot of the poor is enough to touch the heart of any man. And, when these

conditions are contrasted with the wealth and affluence of a few, it strikes chords of deepest sympathy. But this would be equally true were we advocating a reduction of the tariff, the recall of judicial decisions, a vote for a political party; or were we making an appeal to join the ranks of socialism. The strength of radical legislation lies in its appeal to the emotions, and its dangers, we may add, lies in this same fact. It finds its support in the heart and not in the mind; in sympathy, not in cool thought.

Stated concretely the affirmative case seems to be this: To raise the low wages of the unskilled; to give them better food and better clothes; to place them in more comfortable homes—all that is necessary is to pass a law. Surely any plan so ambitious in its scope should be carefully examined to ascertain its real nature and its ultimate effects.

As negative speakers we challenge the minimum wage on three grounds which we believe are fundamental:

1. On account of its inherent nature the law could not be enforced.
2. Even if it could be enforced it would not help the laboring man but would add to his poverty and degradation.
3. There is an effective means of raising wages without resorting to the minimum wage.

On the matter of enforcement I would like to call your attention to the figures quoted by the preceding speaker. He has said that 92,000 men are receiving a wage of less than $3.00 a week; 350,000 are getting less than $5.00; and a million less than $8.00 a week. These figures naturally lead to the inference that great numbers of unskilled male workers are getting less than 50c, 85c, and $1.33 for each working day. But the facts differ from these figures. Even the gentleman's own figures quoted later in his speech contradict him. We were told that the teamsters in Minneapolis are getting $1.75 a day, the teamsters in St. Paul are getting $2.25; the girls in Marshall Field's store get $8.00, or $1.33 a day for a seven-hour day; and the girls in the Walk-Over Shoe Factory get a weekly wage of $9, or $1.50 a day.

Let us continue with some common examples. Your janitor is an unskilled laborer. His wage together with extras and his free rooms are the equivalent of from $75 to $125 a month, or from $2.50 to $4 a working day. The

street car conductor is unskilled. Yet his wages average from $2.50 to $3 a day. The teamsters right here in the city of Chicago are drawing wages of $3 a day. Even the Italian or Lithuanian that works for the Street Railway Company is paid $2.25 a day. Why, the first four words of English that the Italian learns upon landing on Ellis Isle are "two dollars a day."

Yet, the figures of the preceding speaker must be taken into account, and here is the explanation: Take two workmen. The first, let us say, works the full week. At $2 a day his salary is $12, which is a living wage. The second workman finds work but for two days in the week. His wage at $2 a day is $4; $12 plus $4 is $16; divide the total by two and you get $8, which is less than a living wage. But this $8 and the $5 and the $3 quoted by the preceding speaker do not prove the absence of living daily wages in the main. The significant fact is that it proves unemployment for part of the time. And unemployment is one of the basic reasons why enforcement of the minimum wage is impossible.

The two parties to the wage contract are the laboring man and the employer. Upon the co-operation of these two the success of the law depends. Therefore, first let us ask: "Would it be to the interests of the laboring man to observe a minimum wage law!" Surely it would if every one could get work at the minimum. But all over the country there is an over-supply of labor. Stated concretely, students of the labor problem tell us that out of nine million unskilled male workers, six million, or two out of three, are idle at frequent periods during the year, or the equivalent of more than two millions idle the entire year. We thus have the spectacle of nine million men competing for seven million jobs. Suppose you were one of those nine million workers. If you could get work at the minimum, of course you would take it. But you go down town. You join the ranks of the 100,000 men walking the streets of Chicago today asking for work. You go into an office. Forty, fifty, sixty men are ahead of you in line, all after one job! The manager says, "I'm sorry but the place has been filled." You return home. Your wife has broken down from over-work; your children need shoes to go to school; the bread box is empty. Necessity holds the whip hand, and, driven by the cries of your family, if you cannot

get work at the legal rate you will take it at less. Out of work and out of food you will not refuse to work for $2 a day just to enable those who have jobs getting $2.50 to maintain their standard. This has been the actual experience in Australia, and we would quote from the 1908 report of the chief inspector: "It is notorious that men who are quite able to earn a minimum sign for the minimum wage and take less. . . . Why do they do this? Because they are afraid of not getting work and because they know there are men at the factory door probably waiting for any chance to take the wage and sign anything if they can only get work." Why, one of the most fundamental instincts of man is to provide food for his wife and children, and if the minimum wage says, "You cannot work for less than $12 a week," and the situation says, "You cannot get work at $12," then the minimum wage fails, for it is in conflict with instincts more powerful than any government edict.

The second party to the labor contract is the employer, and we now ask, will he find it to his interest to observe the law? The affirmative tell us that he is at present engaged in reducing wages to the lowest level. Thus we see by the force of their own argument that the employer will oppose the law. Manifestly, in the absence of any further argument to the effect that the minimum wage will breed men of a different character, there can be but one conclusion; the business man will oppose such a law.

To further illustrate, let us be concrete and assume that Mr. Smith and Mr. Jones are in the same business. Mr. Smith, let us say, observes the minimum. Jones gets around it and pays less. Smith's expenses are now higher than those of Jones. Jones can now go to the market and undersell Smith. What does this mean? It simply means that law-abiding Mr. Simth must get around the minimum in order to compete on equal terms with law-evading Jones, Prof. Tufts has said: "Under competitive conditions the standard of business honesty is inevitably reduced to the minimum." Again the Honorable Tom Johnson of Cleveland, the advocate of the three-cent fare and as worthy a defender of the poor as the gentlemen of the affirmative, has said in this connection: "If you cannot pass a law and legislate people into being good, it is your duty not to pass a law and create an artificial stimulus for the doing of evil." The passage of a minimum wage bill simply means

that every law-abiding employer will be placed under a powerful artificial stimulus to get around the law in order to compete on equal terms with his law-evading rival. What chance has the minimum wage of enforcement under these circumstances? What possibilities for under-cutting and secret bargaining present themselves! What chance of enforcement can be promised when it is contrary to the interests of the laboring man and the employer at one and the same time?

Not only is this true, but from the viewpoint of practical enforcement let us look at the general situation. Illinois investigates, let us say, and decides that a fair minimum is $15. Indiana investigates and decides to adopt a schedule of $10. Where will capital locate? Manifestly in Indiana. The Illinois Association of Commerce finds industry leaving the state and a complaint is made. Illinois wants industry; Indiana wants its share; Ohio wants its share, and, by its share, is meant all that it can induce to locate within its boundaries. What is the result? Competition has started between the states, and the state that offers the most favorable terms to capital will secure capital, and the state that offers the most favorable inducements to labor will tend to attract labor. Thus we have on our hands the interesting spectacle of labor and capital divorced with all the evils present that attend congestion, and a maldistribution of these two vital factors in industry.

We do not mean by this that the lumber interests of Michigan will move at once to Alabama, or that the steel mills at Gary, Ind., will be packed up bodily and placed in the woods of Northern Michigan. Capital based on certain fundamental advantages, finds it hard to move. But new capital is comparatively free, and will locate where the advantages offered are the greatest.

In this connection we need but recall our experience with child labor. In 1909 Tennessee passed a child labor law. North Carolina refused to pass a similar provision, and Tennessee to prevent industry from leaving the state was forced at the next session of its legislature to repeal its law. Need we go further and recall our experience with our corporations? Just as surely as New Jersey and West Virginia have found it possible to bid for and secure the incorporation of 75 per cent of our inter-state corporations, and just as surely as this has led to confusion and the im-

possibility of securing proper control, so must the passage of varying minimum wage bills be attended by a hodge-podge of legislation starting competition between the states for industry. The state offering the most favorable terms to capital will attract capital and thus negative the good intentions of its many neighbors.

The cost of living is largely psychological. The luxuries of yesterday are the necessities of today. As human beings we always want more and more. It is in our nature. Then let us give labor a minimum wage of $15, which may be enough to live on this year; but next year $20 is necessary; and the third year $25 is the indispensable minimum.

Thus we see that the minimum wage, altho a worthy philanthropic aim advocated by people who are moved by none but the best impulses, is bound to fail, because it cannot be enforced, and because it offers nothing for the condition of nine million workers seeking seven million jobs.

In conclusion, if justice to the laboring man be the plea of the affirmative, let them explain the justice of the situation which would have the state say to the laboring man, "You cannot work for less than $12 a week, and if you cannot get $12 a week, you cannot work at all. You and your wife and children must become objects of public charity."

ARNOLD BARR, SECOND AFFIRMATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—

The gentlemen contest our position as set forth by my colleague and say that our real trouble is not low wages but unemployment. That, too, is a serious evil of the present situation, and we would welcome a solution for it if the gentlemen have one. But they have not given any evidence to contradict the statement given by my colleague, establishing that we have in addition to unemployment, the equally serious evil of low wages. For instance, men are employed in the Stock Yards at 15c an hour, at most $9.00 a week; in the Pittsburg Steel Mills at 90 cents a day or about $6.00 a week. According to Mr. Streightoff, 11,000 of the 13,000 men employed on the railroads in North Carolina get only $9.75 a week. It is because these things are

true, because men are getting such low wages while they are working, that we need the minimum wage law.

First, let me explain what we mean by the minimum wage law which we support. The question calls for the adoption by the states of schedules of minimum wages for unskilled labor. This means a law which prohibits any employer from paying, or any laborer from accepting a wage less than the minimum fixed by the law. The word "schedule" shows that this does not mean a wage uniform for all the states, nor for all the workers within the single state, but that the wage may vary as found necessary to apply it to different localities and different conditions of employment. The question does not state how high or how low the minimum shall be, nor upon what basis it shall be determined. The minimum which we advocate, then, is the wage which will buy enough food, clothing, fuel, and shelter to keep the laborer and the average family in health and physical efficiency. We stand for the wage which will supply the physical requirements of this generation of workers and of the coming one. So the proposition to which the arguments must be directed may now be stated: "Resolved, that the States should prohibit by law the payment to any unskilled laborer of a wage less than that necessary to maintain him in physical efficiency." This statement of the proposition should make it clearly understood at the outset that this is not an attempt to revolutionize our wage system nor to attack the competitive, individualistic order of society. Obviously this proposition does not deal with general wages at all. We are concerned with only the lowest strata of wages, leaving competition just as at present, entirely free for all above that, but saying that the unskilled laborer shall not be forced by competition below this line which the state has drawn.

The proposition does not contemplate compelling any one to pay laborers more than they are worth. It does not even suggest that an employer will be compelled to hire a man at this wage, nor prohibited from discharging him if he is not worth it. Even a law cannot permanently give something for nothing, and we are sorry that the gentlemen have taken time from the real issues of the debate to prove a proposition upon which we are all agreed. But this is far from saying that a law cannot permanently cure injustice, and we of the affirmative do maintain that the

laborer is worthy of his hire, that industry can exist without starving a part of its workers, and that industry cannot permanently endure if it denies to any part of those workers the necessities of life.

My colleague has shown you that present conditions, resulting from the abnormally low wage of a part of our laborers, are really so serious, that a remedy is imperative. I will show now that the minimum wage law will succeed as the remedy; that it can improve these conditions.

To show that wages will be higher involves two things: First, that money wages will be higher; second, that the real wage, that is, the actual purchasing power, will be increased. Evidence is not required upon the first point; it is admitted that the money wage will be increased. The only question is as to the real wage. The only argument that has been advanced by the opponents of the minimum wage law in this connection is that if wages are increased, the cost of producing commodities is therefore increased, with the result that prices are raised and when the laborer goes around the corner to buy his shoes and groceries he finds himself with no more purchasing power than before. The argument sounds plausible, but will not bear analysis.

The first point in reply is that in many cases the increase in wage will not cause a rise in prices at all, but will come directly out of the profits of the employer. Take the large number of monopolies, which employ millions of unskilled laborers. They have already fixed prices as high as the public will stand and cannot raise them any higher without losing business. Steel rails cannot sell for any more than the present price, because that price now is all that the traffic will bear. Harvesting machines will not go up in price if the cost of unskilled labor goes up. The same thing applies to the monopoly products which the laborers themselves consume. They will not have to pay higher prices for sugar, oil, or tobacco. The increase in wages is here a real increase which comes out of monopoly profits.

In the second place, under competition there are many employers who are making fortunes by forcing upon their laborers a wage even less than that which their competitors pay. For instance, the Massachusetts Wage Commission found one candy factory which paid nearly all its girls a wage of $5 a week or less, while not a single case of so low a wage was found in the competing factories in the same

line of business. The same situation existed in the lace-making factories of Great Britain, where the minimum wage law merely applied the standard wage already paid by the great majority of employers, but which had been undercut by the unscrupulous few. This few cannot raise prices, because all the rest are producing as cheaply as before and therefore these unjust profits must be reduced. The laborers will not have to pay higher prices, but will receive a real increase in wages.

Now the third reason why prices will not rise, is that in many cases the minimum wage law will positively reduce the cost of production. It might at first seem that employers would be so anxious for profits that they would already be producing as cheaply as possible, but a little reflection shows that this is not always the fact. We can all remember cases where an employer has established his business on a firm foundation, and has then rested on his oars for a while, allowing things to go along in the accustomed groove. Now there is a sudden rise in one item of the labor cost which will jolt him out of this inaction. The result of the garment workers' strike in Chicago was that one of the largest firms, Hart, Schaffner & Marx, so thoroughly revised their system that they now have a lower cost of production and a higher profit than before, and still pay a higher wage.

Two spurs will always make a horse go faster than one. The minimum wage law would be a powerful stimulus to careless employers to apply all their ingenuity to the processes of the industry, eliminating waste and increasing efficiency. The great possibilities of this tendency are well shown by the achievements of the new scientific management.

Among many instances, Mr. Harrington Emerson tells us in his book how, in a big locomotive shop, changes in the position of machines, which had been in operation there for twenty years, doubled the output of the shop without increasing costs. Then, on a great railroad system, the costs for locomotive repairs were reduced $260,000 a year, more than half, by the elimination of wasteful methods. We do not believe, nor will the efficiency engineers admit, that there is a single industry or plant in which higher efficiency and lower costs cannot be obtained. We therefore ask the gentlemen of the negative to prove the contrary, if they

deny that industry can be made able to pay the minimum wage.

The minimum wage law will be a stimulus to this higher efficiency. This is our third reason why it will not increase the cost of living, but will give the laborer the real increase in wages.

Fourth, prices will not necessarily be raised, since the employer will find in many cases that he is able to pay the higher wage because of the increased productivity of the very laborer to whom he must pay it. For we advocate, as you remember, raising wages only for those who are now getting not enough to maintain themselves in physical efficiency, and in unskilled labor this physical element is a large factor in productivity. A well-fed man will pick up a larger shovelful of coal; will walk faster behind his wheelbarrow; will use fewer because stronger blows to drive each spike or rivet; will keep pace with a machine at a higher speed, than can a man under-nourished and unhealthy.

For men who are crippled, defective, or superannuated, the law provides a limited number of permits to work for a special lower wage, a sub-minimum. For the normal man, the law will enable him to increase the value of his services by giving him the opportunity for health and vigor. For the ambitious man there remains untouched the chance to excel, the liberty to earn as high a wage as he can get. The law merely erects this new barrier against semi-starvation; it guards the vitality of the laborers. This is why Sidney Webb, the distinguished economist, says: "It is not to be doubted that the (minimum wage) law positively increases the productivity of industry." So here are four reasons why it is a fallacy to say that the minimum wage law can only raise prices,—four typical cases which stand as sound economic arguments that the minimum wage law can really improve the conditions of the laborers.

It may be that in some cases prices will go up. But even where this is true, it need not follow that real wages are not increased. It means only that in some cases the community at large will be contributing something to destroy this evil of under-payment. This contribution will not be necessary, except in the few cases where the four tendencies I have described have failed to prevent any rise

in price at all, and even then those tendencies will operate to some extent, and prevent the rise from being equal to the whole increased cost. For fear of a reduction in the volume of their business, many employers will accept a reduction in even modest profits, rather than raise prices. But even if all the cost should be added to the price, do you realize how little difference it would make in many cases? For instance, in canned vegetables and fruit, the labor cost is one-fourth, one-half, and in some cases one cent a can. To concede the argument would mean only that an increase in wages might make such goods cost one-half cent more a can. Yet the gentlemen argue that the higher wage would be entirely useless, because of a higher cost of living.

One more point remains to show how fallacious this argument is. In the few cases where prices rise at all, and where they rise such a small amount, it is not the laborer who pays them. Will the tenement house workers buy the Irish lace and French confectionery that they make? Will the laborers buy automobiles? Most of the product of unskilled labor is consumed by the other classes of society, while the unskilled laborer in turn consumes largely the product of those other classes, the skilled workers—the workers not affected by the law, or those whose higher wages have been paid without increasing cost.

Where prices do go up, they will be paid by the population in common, not alone by the comparatively few million workers whom we seek to aid. And this is the fifth reason why the minimum wage law really can improve the conditions of these workers, and increase their purchasing power.

We have now demonstrated that the minimum wage law will secure to the workers a real increase in wages. It does so first, by acting as a spur to productivity, because the employer will strive for efficiency and lower costs, while the laborer will have the greater productive power that comes from a sound body; second, the law will in part secure a re-distribution of the product, because monopoly profits will be reduced, exploitation of the workers will be made impossible, and in some cases the general consuming public will contribute by paying higher prices. We insist that this re-distribution is just, for society is not entitled to goods at a price which requires the payment of a wage too low to maintain the physical efficiency of the la-

borer. Industry as a whole cannot exist permanently if it denies to its workers the necessities of life. Such an industry is parasitic and undesirable.

Therefore the minimum wage law is socially as well as economically sound, when it increases and re-apportions the product of our industry to secure to every laborer, who does his share in the production, the opportunity to support himself and his family in bodily efficiency and health.

LEON POWERS, SECOND NEGATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—

We have had drawn for us tonight vivid pictures of human misery. And we want it understood that we are just as anxious to alleviate conditions as the affirmative. But we wish to remind you, honorable judges, that this emphasis concerning people living on inadequate incomes proves nothing but the truth of the old scriptural saying: "The poor we have always with us."

Moreover, the gentlemen in deducing from this that we should have minimum wage laws in each of our forty-eight states, have overlooked a few links in their chain of reasoning. For example, they tell about the terrible results of our competitive system, picturing how employers in competing in the markets with their products, trying to undersell each other, attempt to force money wages down in order to be able to sell their products cheap. But they have failed to show that the worker is injured thereby. And, until they show that the worker is actually injured, they have not made out a case in favor of overthrowing our present competitive system.

The fact that under a system of free competition, such as the affirmative so vigorously condemn, while the tendency will be to force money wages down, the price of commodities will also be forced down, and the worker will be able to purchase as much as before. It is the real wage that counts. The purchasing power of the wage, and not the money wage or the wage measured in dollars and cents, is the only test. Therefore, the affirmative are merely wailing at a phantom, when they complain of a tendency to force money wages down, while the cause which produces that tendency also forces down the price of commodities and leaves the purchasing power of the wage unaffected.

The notion of the affirmative, that all we need to do to raise people from poverty to affluence is to pass a law, is a common form of fallacy. There was a time when people thought that they could eliminate poverty merely by having more money. They passed a law providing for an increase in the quantity of paper money. But they found they could not create any new wealth out of a printing press.. Moreover, the people whom they sought to benefit relied on the statute rather than on their own productive power, which only added to their poverty and degradation. Such attempts to add to the people's enjoyment of the comforts and conveniences of life are like trying to raise yourself by your own boot straps.

Obviously the passage of such a law as that which the affirmative propose is not going to create any new fund of wealth from which to satisfy those who are in want. If the problem were as simple as that; if we could raise the real wage of the workers by merely passing a law; if we could thus divorce wages from productivity; if we could fix wages by the comforts that we would like to see the laborer enjoy rather than on what he earns—if all that could be done, we of the negative would not be satisfied with giving them a mere living wage. Why stop at that? We would want to give them some of the luxuries of life as well. If it is possible to disregard productivity and raise wages to $2.00 per day by a statute, why not to $5.00, and if to $5.00 why not to $10.00? Thus stated, the absurdity of the thing at once appears. Obviously, you cannot secure for a worker more than that worker produces. And under a system of free competition he gets exactly what he produces.

Having seen that, aside from the question of enforcement, a minimum wage law is powerless to produce good results, it shall now be my purpose to show that even if it could be enforced, it would have positively harmful results.

The first and most obvious result of the enforcement of such a law will be to increase the number of unemployed. No employer will continue to employ a worker when it becomes unprofitable to do so. When a minimum wage law is passed, and it is made unlawful to pay a worker less than a certain wage, what is going to happen? Simply that those who are unable to earn the minimum wage will have to go out of employment. Take a concrete case: Here is a worker, who is able to earn only $1 a day for his employer, and

he receives that wage. Now a minimum wage of $1.50 is established. What is going to be the result? That worker will be discharged, for no employer will continue to employ at $1.50 a worker who can earn only one dollar!

But, you say, the employer may increase the price of the product, and thus recoup the additional amount he will need to pay out for wages. Suppose he does increase the price. An increase in the price of an article will mean a falling off in the demand for that article. Then, since there will be not so much of the article consumed at this higher price, fewer men will be required to produce it, which in turn will mean unemployment.

Again, the gentlemen say, the additional amount will come out of profits of the employer. They quote to you the exorbitant earnings of a few large monopolistic corporations to prove that employers can pay it now. We may admit that the Standard Oil Co., for instance, might pay its unskilled workmen $15 per day and still make large profits. But does it follow from this, that all business concerns can pay that wage and still make profits, and that therefore we should have a law requiring that wage to be paid? The fact is that while a few monopolistic or peculiarly successful corporations may be earning enormous dividends the average business concern merely has its head above water. It is earning a minimum of profit. According to the *Commercial and Financial Chronicle,* 85 per cent of the business concerns which are launched in this country fail. If this vast number of marginal business concerns which are now just above the verge of failure are required to pay an additional amount out of profits, what will be the result? It will mean immediate ruin for them and the men in their employment will be thrown out of work. Looking at it any way we choose, a minimum wage law is sure to increase the number of unemployed.

If there is any doubt on this point, consider the words of John Bates Clark, who says: "Raising the rate of wages will of itself lessen the number of men employed"; or the words of Sydney Brooks, a modern student of the labor problem, who says: "On whatever basis the minimum wage is regulated, it is sure to increase the volume of unemployed." Thus we see that by this scheme which the affirmative advocate a large number of men who are now earning an honest living will be thrown out of work entire-

ly, and compelled to join the already swollen ranks of the unemployed. We want to know what justice there is in a law which will throw these less efficient workers out of employment. What justice is there in saying to a man, because you cannot earn $12 a week, you shall not work at all?

The second harmful result of the attempted enforcement of the minimum wage is that it will demoralize the efficiency of the workers themselves. There is a popular notion, all too common in these days, that the world owes every man a living. This view is peculiarly prevalent among unskilled workers. Let the state place its stamp of approval on this vicious doctrine, and let wages be determined not by efficiency but by the needs of the worker; let the state say, your wage is going to be determined by what it costs you to live, not by what you earn; and the result will inevitably be disastrous. Give legal sanction to the doctrine that the world owes every man a living and it will not be in human nature to strive as hard as before. Inefficiency is as sure to result under such a socialistic scheme as efficiency does under a competitive and individualistic system of society where every man must depend on his own resources. The progress of the race has been based on struggle. Self-reliance, industry, and perseverance are the qualities which make for progress. In supporting a minimum wage law that removes the pressure on individuals; that divorces wages from efficiency, that attempts to guarantee a living wage regardless of earning power, the gentlemen have assumed a burden impossible to carry.

Again, this falling off in efficiency must inevitably react on the workers themselves. In the first place, it will by reducing profits put the marginal business concern out of business, thus adding still more to our unemployed. Moreover, this lessened efficiency, while wages remain constant, will mean that prices will go skyward and the laborer will be worse off than before. Moreover, the cost of living goes up, and we will have to raise the minimum wage, so that the less the worker produces the greater must be his wage. This goes to show that you cannot create something out of nothing, and that you cannot increase the real wage of the worker without increasing his efficiency and that the worst way to try to increase his efficiency is to guarantee him a living wage whether he earns it or not.

In conclusion, we have shown that even if a minimum wage law could be enforced, it is powerless to effect any real improvement in the condition of the workers; and that if enforced it will produce positively harmful results, because it will increase the number of unemployed, and because it will demoralize the efficiency of the whole laboring class to which it applies.

BENJAMIN BILLS, THIRD AFFIRMATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—

Let me review our case down to the present moment. We have shown that low wages are enforcing conditions of individual deterioration and consequent race degeneracy. We have shown that the case of those low wages lies, not in the fact that the unskilled workmen are not worth higher wages, but in the fact that they are unable successfully to bargain for higher wages. We have shown that differences in religion, differences in work, strong opposition of employers, make organization as a means of improving their bargaining position an impossibility. And therein lies the justification of the state declaring their bargaining intact at a level insuring physical vigor and mental energy.

We have laid it down that this level can be maintained. We concede that this increase of wages must come from some place. First, it comes from an increased efficiency of the workmen; secondly, from the improved management of the employers; thirdly, from a more equitable distribution of the profits of competitive businesses; fourthly, from a more equitable distribution of the profits of monopoly businesses; and last, to what extent the negative can show an increase in prices, this increase comes from the general consuming public.

Now, what have the gentlemen of the negative had to say in answer? They have urged that it is not employment at low wages, but rather no employment at all that is the real evil today, and that the minimum wage to be effective must remedy this evil. They have ignored, however, the facts adduced by the first affirmative speaker, establishing that a very considerable portion of our employed unskilled workmen are receiving a wage of but eight to ten dollars per week. They have ignored the fact that, assuming this

wage were paid the whole fifty-two weeks in the year, nevertheless the most judicious managment possible would not permit fit living conditions. They have urged that competition between employers determines wages. Precisely. This is the reason wages are low. The employers seek the easiest method of meeting competition and they find that the easiest outlet today lies in taking advantage of the unskilled workmen's weak bargaining position.

In response to our point that the advantage of an increase in wages to the unskilled workman would not be offset by a corresponding increase in selling price, they questioned whether any increased efficiency of the workmen would result. The best answer comes from the business world itself. James O'Toole, manager of the New Jersey Public Utility Co., a corporation which by law could not raise its selling price on heat, power, and light, explains thus the company's recent increase in wages: "We became convinced that our employees could not do a good day's work when their wits were dulled by a stuffy night's lodging, the best their wages formerly would permit; we found that their concentration was dissipated by worry over the next day's bread." And if this be not satisfying that better living conditions for the workmen inevitably will mean an increase in their efficiency, consider the records of the cost sheets of the National Cash Register Co. of Dayton, Ohio. For three cents worth of nutritious food added to the luncheons of each of their employees, their efficiency engineers found that there was done actually five cents worth more of work.

It is argued too that there would be no improved management on the part of the employers. How have they accounted for the improved management of Hart, Schaffner & Marx outlined by my first colleague as the result of a stimulus of an increase in wages? How do they account for the fact that Attorney Brandeis showed to the satisfaction of the United States Supreme Court that the railroads of this country could better their management to the amount of three hundred million dollars a year? Commissioner Aves, states in his report on the minimum wage in Victoria, Australia, made to the English Parliament, page 71: "There is little testimony that there is any increase in cost of production or selling price; in fact there is much testimony to the contrary."

Why, even if we take the contention of the negative at its face value—namely: that increase in selling price will correspond actually to the increase in wages—on that basis we improve the condition of the unskilled workmen by the minimum wage increase. Suppose a workman is receiving one dollar a day and that the product of his day's work is a three-dollar pair of trousers. To buy the three-dollar trousers at a dollar-a-day wage, he would have to work three days. Suppose we raise his wage one dollar, giving him two dollars a day; we at the same time raise the selling price of the trousers one dollar, making it four dollars. Now at two dollars a day, in order to purchase the four-dollar trousers he need labor not three days, but only two days. Therefore, the argument of the negative that increase in selling prices will correspond actually to increase in wages, taken at its full face value, is an argument against them rather than for them.

Their final objection is that the minimum wage will cause increased unemployment. Now when they discuss unemployment in this light, then directly enough they are discussing unemployment as an issue in this debate. Note that this is a positive objection, which they urge, and they therefore must take the burden of giving us evidence in its support. The only ground upon which unemployment can be urged as a result of a minimum wage measure is that the unskilled workmen are not "worthy of their hire." We welcome any evidence that can fairly establish that proposition. Thus far in this debate they have given us but one piece of evidence, namely, testimony from Commissioner Aves as to that result in Victoria, Australia. But our report of Commissioner Aves on page 476 reads: "There is little evidence that regularity or certainty of employment is affected by the minimum wage."

Having shown then a real need for a remedy, having shown that the minimum wage makes a real response to that need, it remains for us to show, first, that the measure is practicable, second that the measure is sound.

It is practicable because, in the first place, the wage can be fairly and intelligently determined. We propose a state commission in each state, the members of which shall secure their positions through civil service appointment. This commission, upon learning of any industry in which less than a minimum of physical efficiency is paid, will in

that industry appoint a local board made up of representatives from the employers, the laborers, and these will choose a third representative from the public. This local board will make recommendations to the committee as to what the minimum should be in dollars and cents. Now by virtue of the differing interests represented on this local board, by virtue of the independence of the commission passing upon the local board's recommendation, the minimum, as a matter of plausible presumption, will be fairly and intelligently determined.

But this is not alone plausible presumption: In Victoria, Australia, where the system has been in operation for seventeen years, there have been but seven appeals as to the amount of a minimum wage. In England, where the system has been in operation fifteen years, Chairman Asquith of the Board testifies: "But little dispute has arisen as to the amount of a minimum wage." Thus the minimum, once determined, can be enforced. Now the enforcement of any law is effected by two means: First, the initiative of the state in carrying out its duty of enforcement; and secondly, the state's activity supplemented in certain instances by those parties whose interests are affected by non-enforcement. We have both of these means operating in the enforcement of the minimum wage. No one can question that it is to the vital interests of the laborers to report an evasion that means for them a lowering of wage or a loss of work. Have we any reason to believe this report of evasion will be fruitless?

In 1912 in the great coal strike of England, the one million workmen involved refused every form of settlement offered. A minimum wage measure was passed for that trade. The miners and their employers had seen the minimum wage measure in operation for three years in their own towns in two large trades, tailoring and box-making, involving hundreds of thousands of workmen; two small trades, chain and lace. The miners to a man, together with sixty-five per cent of their employers voted for the acceptance of the minimum wage measure as a settlement. Is it probable that in the light of this experience they would have accepted a minimum wage measure that could not be enforced?

The problem of enforcement, then, so far as the self-interests of the laborers are concerned, is not a real prob-

lem. What of the self-interests of the employers? Robert Littleton, employer, chairman of a voluntary minimum wage organization, after two years of observation of the minimum wage, declared at one of their conferences: "Had we but our wage agreements enforced by law, we would not need to fear unscrupulous competition." Victor S. Clark, United States special investigator of the Australasian operation of the minimum wage measure, reported to our labor department: "The best class of employers courted some provision to protect them from unscrupulous competition." Twelve out of the first thirty-four boards in operation in Victoria were organized at the instance of the employers. Thirty-seven out of the seventy-two boards in operation in 1907 were organized at the instance of employers. Now again, is it probable that both employers and laborers in England and in Australia are being duped year after year into accepting a measure, the advantages of which cannot be enforced?

Our concluding proposition is that the minimum wage measure is sound. Sound, because, while not insuring the workmen one penny more than they earn, it does insure them such fair share of what they do earn as will give them a fit living, a share which today their weak bargaining position denies them. And weak bargaining power—not low earning power—it was that accounted for the low wage in Minneapolis as compared with St. Paul. Weak bargaining power—not low earning power—it was that accounted for the wage in the Chicago Stock Yards. And sound is the minimum wage measure in protecting this weak bargaining position to the extent of what employers like Benjamin Altman and Henry Ford would declare as "but an approximation to economic justice."

The minimum wage measure is sound socially and sound economically. The public in the end pays the cost of supporting its workmen in one of two ways: Either by allowing the workmen prematurely to be worn out by the conditions of living enforced by the low wage and thrown on the scrap heap, the public then supporting them in its tubercular camps, its hospital wards, its charitable institutions—fifty-two per cent of them there as a direct result of the low wage; or by requiring industry to pay their workmen a wage sufficient for the workmen to support themselves in their homes. The present is the indirect, waste-

ful way; ours is the direct, economic way; the present is the pauperizing way; ours, the vitalizing way; the present, a way leading to individual deterioration and consequently race degeneracy; ours, a way leading to individual efficiency and race integrity; ours is but the way of the "new era," insuring social and individual justice.

Remember, gentlemen of the negative, the public pays that cost in one of two ways. Which way do you choose? Ladies and gentlemen, which way do you choose?

RALPH SWANSON, THIRD NEGATIVE.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—

Thus far we have proved that the minimum wage cannot be enforced: First, because it is contrary to the interests of the employers; secondly, because it is contrary to the interests of the employes, the two parties to the labor contract, and the only two who can effectually enforce a minimum wage law; and, in the third place, because the competition among the states to induce capital to locate within their borders will result either in the non-enforcement of the law, or else in establishing a poor minimum wage law which will produce no results at all. We have furthermore proved that the minimum wage will produce results more harmful than beneficial: First, because it will only result in a nominal and not in a real increase of wages; secondly, because it will increase the number of unemployed.

Now we shall point out the real cause for low wages, and name a remedy which will eleminate the cause.

The gentlemen of the affirmative tell us that the cause for low wages is due to the fact that unskilled laborers cannot organize. They further contend that the cause for low wages is due to the fact that the unskilled laborers have poor bargaining power. We of the negative take issue with them. We contend that the cause for low wages is due to the fact that there is an over-supply of labor Let us refresh our minds concerning one of the fundamental laws of economics—the law of supply and demand. The law of supply and demand determines the cost of raw material, determines the cost of production, and determines the selling price of an article. That same law determines the

wages of labor. Let me illustrate: Suppose on the one hand we have a small supply of labor and on the other hand a relatively large demand for that labor. Wages will naturally be high, because the competition among the employers to secure the available laborers will force wages up. This is the condition which was found in England, when the Black Death ravished that nation and decimated the workmen. There were more jobs than laborers for the jobs. The competition among employers to secure the average workers forced wages to such a plane that the employers were actually crying for a maximum wage, above which no employer could pay.

If, on the other hand, the supply of labor is great and the demand for that labor is relatively small, then we will naturally find low wages, because the competition among the laborers to secure the available jobs will force wages down.

Our first proposition then is that the law of supply and demand determines the wages of the laborer. The gentlemen of the affirmative tell us that wages are low. Granted, for the sake of argument, that wages are low, we would naturally expect to find as the cause for low wages the fact that there is an over-supply of labor. And our second proposition is that there *is* an over-supply of labor.

Go with me down into our own city of Chicago and stand upon the corner of Canal and Madison Streets. Here comes a poorly clad, able-bodied man asking us for a nickel for a loaf of bread. We ask him why he isn't working. What is his answer? His answer is, "I can find no work." Here comes another man with a placard on his breast and a placard on his back. There are written on the placards these words, "I want work." Ask him why he isn't working, and his answer is, "I can find no work." In Chicago tonight there are 100,000 able-bodied men and women who are out of work. These men and women are not tramps nor professional loafers, but men and women who are willing to work; yet they can find no work. In other words there are more laborers than there are jobs. Go with me to the city of New York, and we will find the same conditions—250,000 men and women out of work, because there are no jobs. The same conditions prevail in all of our industrial centers. Minneapolis and St. Paul have a greater problem of unemployment than ever before. The last cen-

sus report gives us the remarkable figures that there are twelve million able-bodied men and women, unskilled laborers, in the United States seeking nine million jobs.

We thus see that the law of supply and demand determines the wages of labor, and that we have an over-supply of laborers.

Our next proposition is that this over-supply of laborers produces low wages. How does it produce low wages? In the first place, it results in unemployment. As my first colleague has pointed out, though a man may be getting a high daily wage, but is working only half the time, that high daily wage will result in a low weekly wage. A man may be getting five dollars a day, but if he is working only one day in the week his weekly wage is five dollars. The reason for the low weekly wages lies in the fact that over-supply of labor results in low wages, because it results in unemployment.

In the second place, over-supply of labor produces low wages, because it produces under-cutting by the laborers themselves. We have seen how, when there is an over-supply of labor, there is competition among the laborers to secure the available jobs. When there are more laborers than jobs, and the laborers are driven on by hunger, they are not going to respect the rights of a laborer who has a job. If such a laborer cannot induce the employer to discharge one of his laborers and hire one of the unemployed at the same price, he will induce the employer to discharge one of the laborers to let him work for less than that laborer was receiving.

It is not an uncommon thing today to see standing before the door of an employer of labor a large aggregation of unemployed men. What are these men doing? They are going to the employer. They are saying to him: "I must have work, and if you cannot discharge that man to whom you are paying two dollars a day and hire me at the same price, discharge him, hire me, and I will work for a dollar and a half."

Thus over-supply of laborers is the real cause for low wages: First, because it results in unemployment; and, secondly, because it results in under-cutting of wages by the laborers.

What is the solution for this problem? There are only two possible solutions. One is to increase the demand for

labor. The other is to decrease the supply. It is impossible to increase the demand for labor, because the demand for labor depends upon industrial expansion, which in turn depends upon economic laws which no law of man can thwart. The only possible way to increase the wages of laborers is to decrease the supply, and this brings us to the practical question, How can we decrease the supply and thus bring about an equilibrium between supply and demand?

Go with me to the city of New York and stand upon the docks of that great city for just one day. Watch the three thousand able-bodied men and women, who are giving up their native lands and coming to this country. Ladies and gentlemen, three thousand immigrants daily land upon our shores—one million per year. In the last ten years of the history of our nation, there have landed upon our shores ten million immigrants—one-tenth of the population of the United States today. Think of it, one-tenth. But the remarkable thing about it is that eighty-five per cent of those immigrants are unskilled laborers between the ages of fourteen and forty-five. In other words, two-fifths of the unskilled laborers in this country today have landed upon our shores since 1900.

Recognizing where the supply of unskilled laborers comes from, we can now suggest a plan or remedy to eliminate our over-supply of unskilled labor. What is that plan? It is so obvious that I need not mention it.

Now, we of the negative do not wish to be misunderstood. We are not contending that we should have absolute prohibition of immigration. We realize that industrial expansion depends upon unskilled labor. But we do contend that our supply of labor should be so restricted that there will be an equilibrium between demand and supply. In other words, we contend that at the present time we should narrow our gang-plank. If in the course of a few years industry should expand and the demand for labor should increase, then that gang plank should be widened. But at the present time the only solution, the only possible way to increase wages, is to limit the supply, and in order to limit the supply we must restrict immigration.

There may be a question in your mind as to why immigration did not cause a labor problem before 1900. Why did not immigration before 1900 give us an over-supply of

labor; or, in other words, why is it that all the agitation for a minimum wage in this country has arisen since then?

The answer is to be found in the fact that our western frontier has vanished. Before 1900 we had a large expanse of unoccupied land. Immigrants were coming to this country before that date, but what were they doing? Were they settling in our industrial centers, increasing our labor problem? No, they were settling in the West, and pushing our frontier westward. Do you know that the cities of St. Paul and Minneapolis are the largest Scandinavian cities in the world? Do you know that half the state of Iowa is German? That half the population of North and South Dakota is Norwegian and Danish? Before 1900 our immigrants were going West, taking up our unoccupied territory and becoming the American farmers of today. But in 1900 our Western frontier vanished. There were no more homesteads to be found. At that time the personnel of our immigrants changed. Before 1900 the vast majority have come from the industrial nations of northern Europe. Since 1900 the vast majority have come from southern Europe. Today the recent immigrants, having no place else to go, are congesting our labor market. They are stopping in the city of New York, in the city of Chicago, in the city of Boston, in the city of Minneapolis. They are congesting the industrial centers and producing an over-supply of labor.

The affirmative may say that they favor the restriction of immigration, but argue that it is no argument against the minimum wage. It is an argument against the minimum wage, because, if we restrict immigration, diminish the supply of labor so that there will be an equilibrium between supply and demand, then there will be no need for a minimum wage. If we bring about such an equilibrium, we will not only eliminate the unemployed, but we will give every laborer a job. That simply means that instead of having nine million laborers today seeking seven million jobs, we will have seven million laborers seeking seven million jobs. And instead of such conditions as those of today, the employers will pay normal wages, which would be living wages. And as our minimum wage only calls for living wages, and since under such conditions the employers would be paying living wages, there would be no need for the proposed measure.

To summarize, we have shown you, first, that the law of supply and demand determines the wages of labor. We have shown, second, that there is an over-supply of labor. We have shown, third, that over-supply of labor produces low wages; (1), because it results in unemployment, and (2), it results in under-cutting by the laborers. We have also pointed out that the only possible solution of the labor problem, the only possible way to increase the wages of the laborer, is to shut off the supply, and bring about equilibrium between supply and demand. We have further pointed out the only possible way in which this can be accomplished. Since the minimum wage does not strike directly at the root of the cause for low wages in that it ignores the problem of unemployment, we of the negative contend that the minimum wage should not be established.

The Rebuttal

Mr. Atkins, First Negative.

In speaking of the unskilled, the first speaker told us that where they have been able to organize, they have been able to get good wages. But why has this been possible? Simply because by the closed-shop policy, by high initiation fees, by restricting the number of apprentices, and by various similar methods, they have been able to curtail the available supply of workers. Labor unions have long since recognized that where it is impossible to regulate the supply, no permanent gain can be accomplished. For example, when we had a strike in the stock yards wages rose from 15 to 17½ cents and from 23 to 29 cents, but six months later the wages fell to their normal level. In 1904 we had a street car strike. The men secured an increase of from 25 cents to 27 and 29 cents an hour. In a short time it was back to the former level.

The unions in these cases found it impossible to control the supply. There were two men seeking for every one job. So must it be in the case of the unskilled, whether organized or unorganized If the affirmative desire a real advance, they should argue for a decrease of our oversupply. They should argue for one job for every man. This means good wages, but although the affirmative have claimed nearly everything else for the minimum wage, they have not and can not claim that it will either reduce the supply of workers or increase the number of jobs. On this fundamental proposition the minimum wage fails.

The issues in the debate up to the present time seems to resolve themselves to this: (1) Can the minimum wage be enforced? (2) Granted that it could be enforced, would it not increase unemployment? (3) Is there not a more effective means of raising low wages—namely, a restriction of immigration?

In reply to the first argument that the law is impossible of enforcement, the affirmative say it will be to the interest of the discharged employe to see that no one takes his job at less than the legal rate. But how is such an individual to ascertain whether or not the man who takes his place is working at less than the minimum? Would the affirmative

have a state official appointed to overhear the conversation between each employer and laboring man? Would they have an official of the state open the pay envelopes at the end of a week to determine whether or not the full legal wage is contained therein? And, if a deficiency were present, would it be this official's duty to investigate and determine if the employe had worked the entire week, or had been penalized for poor work? Manifestly such supervision is impossible.

But, better than any statement which we can make, is the actual experience in the countries where the minimum wage has been tried. After naming methods of evasion and the collusion of employer and employe, the chief inspector of Australia in his report of 1908 says: "The men are not true to themselves. It is notorious that men who are worth the minimum sign for the minimum and take less. Why do they do it? Simply because they know that there are men at the factory doors waiting for any chance to work and to sign anything if they can only get work." Discouraged by his failure to enforce the law, the chief inspector continues: "It is hard enough to enforce laws when you have the co-operation of the workers, but where both worker and employer conspire together, enforcement is hopeless."

Is it not of some significance that Australia, a country almost as large in area as the entire United States, has a population of half a million less than New York City alone? Is it not significant that Australia, with a population less than that of New York City, has more unemployment than is found in the entire State of New York, teeming with its immigrants? If the affirmative believe that the minimum wage has been a success in Australia, let them explain these facts. Let them explain why it is that Australia today finds its native population leaving its shores to seek their fortunes in foreign climes. If the unskilled in America present such a deplorable situation as the affirmative contend, because of the absence of the minimum wage, why is it that America today attracts to its shores a million and a quarter immigrants each year, eighty-five per cent of whom are unskilled, while minimum wage Australia presents a spectacle of emigration exceeding immigration?

But, for the purpose of argument, let us ignore the experience of Australia. Let us disregard the matter of

enforcement. Then we turn to the second proposition so vital to the success of the minimum wage—the question of unemployment. Suppose we adopt the minimum wage. Manifestly labor which is not worth the minimum will be found among the ranks of the unemployed. What real advance would there be in adopting a minimum wage of even $25 a week if you could not insure the laboring man more than one or two days' work during the week?

Certain questions have been raised in this debate which the affirmative have continually ignored. It is imperative that may be answered. And if the gentlemen of the affirmative have the secret locked within their bosoms, we believe that they owe it to their cause to reveal it. What justice is there is a situation which would have the state say to the laboring men: "You cannot work for less than $12 a week, and if you cannot get $12 a week, you cannot work at all! You and your wife and your children must become objects of public charity." Why, if it were possible to increase the wages of the unskilled by simply passing a bill, we of the negative would not stand for a mere living wage. We would give the laboring man enough money so he could build a home of his own on Sheridan Road and enjoy a life free from worry. We do not see how this is possible. Possibly the next speaker of the affirmative will tell us.

Mr. Rosenberg, First Affirmative.

The gentlemen are still persisting in bringing in the problem of unemployment. As my colleague has already challenged, we would be glad to meet the gentlemen some other evening on this problem, and they would probably say, "Oh, it won't do any good to remedy unemployment, for even if they do work, their wages are too low." We need the minimum wage.

The gentlemen ask us what is unskilled labor? Yet they themselves have been talking about unskilled labor. Now is it possible that the gentlemen were talking about something of which they knew not?

The gentlemen have been very inconsistent. First, they fear that wages will be too high; then, in discussing possible competition between the states for capital, they fear that wages will be too low.

We of the affirmative have based our case upon these fundamental propositions: (1) That the minimum wage is justifiable, because wages are low, and these wages result in deplorable conditions; (2) the low wages are not due to a lack of worth on the part of unskilled labor, but to a lack of bargaining strength, which is due to three reasons: (a) inferior knowledge of labor and market conditions on the part of the worker, (b) lack of reserve power, (c) undercutting; (3) that the minimum wage will better the conditions of the unskilled, because it means not merely a nominal increase in wages, but a real increase as well; (4) the minimum wage is practicable; (5) it is economically and socially sound. Now the gentlemen have admitted the first and last of these propositions, namely that wages are low and conditions deplorable, and that the minimum wage is economically and socially sound.

They take issue with us upon our proposition that low wages are due to a lack of bargaining strength; they contend that wages are caused by an over-supply of labor, and that by restriction of immigration and consequent cutting off of over-supply, wages will automatically rise.

But is there an over-supply of labor in this country? There is congestion in particular trades, in particular localities, and in particular seasons. There are too many girls in department stores, not enough in domestic service; There are too many workers in the stock yards, not enough on the farm. They tell us that there are thousands of men walking the streets of Chicago idle today. Were there thousands of men walking the streets of Chicago last June? The gentlemen shoulder an enormous burden of proof when they contend that this country is surfeited with labor. The population of the United States to the square mile is but thirty; in some western states but three to five. In France it is 180, in Germany 260, in Belgium 630.

Even conceding that there is an over-supply, restriction of immigration will at most strike at only one of the reasons for poor bargaining strength. But the plan is wholly ineffective to remedy inferior knowledge of conditions and lack of reserve power. The gentlemen say to the unskilled worker who goes to Mr. Armour for a job: "We have restricted immigration now. You have just as good a chance as Mr. Armour has. You have just as much reserve power as Mr. Armour. You can try to starve out

Mr. Armour just as he will try to starve you out." What will restriction of immigration do for the inherently weak bargaining position of the unskilled worker?

Then we ask why it is that in those states where there is an over-supply of labor it has been found necessary to establish a minimum wage? Why is it that Oregon, Washington, Colorado, Utah, Nebraska, Wisconsin, and Minnesota have minimum wages? The plan of the gentlemen does not strike at the real root of the evil and must therefore be omitted from further consideration in this debate. Our plan places a limit below which the employer cannot exercise his bargaining strength.

The gentlemen tell us that our plan will not improve the conditions of the workers because unemployment will result. If they mean unemployment for the women and the children, who ought to be home and in school, we want that kind of unemployment. In rare cases, to the extent that the gentlemen may be able to show, if defectives or cripples are thrown out of work, they will be allowed to work at a sub-minimum for which our schedules will make provision. But we do not believe that the mass of unskilled labor is not worthy of its hire. We want the gentlemen to prove to us that a man, working ten long hours a day, at the hardest kind of physical work, is not worth and is unable to earn a minimum wage based as low as the minimum of physical subsistence. The gentlemen will be unable to do so, because the laborer is already *earning* a living wage. Then let him receive it.

Mr. Powers, Second Negative.

The gentlemen say that the employer will be stimulated by a minimum wage law to greater efficiency, and thus offset the additional amount which he will need to pay out for wages. But they forget about that strenuous competition among employers which they so forcefully called your attention to in the beginning of the debate. They at first told you that competition among employers was so driving, so compelling, that these employers had to keep constantly forcing wages down, and now they argue that these employers are drifting along in an easy sort of way, and that a minimum wage is needed to arouse them from their lethargy.

The fact of the matter is that the same competition which tends to force wages down has operated to prevent the employer from getting into a rut. The successful business man of today must be constantly on the alert for new ways to increase his production and cut down his expenses. Indeed, the larger business concerns employ men who do nothing else; competition is so strong that they must now exert every possible effort in order to be able to make profits. This has gone on until the improvements through inventions and new forms of business organization are the marvel of the present age. And yet the gentlemen seem to believe that this minimum wage law is in some miraculous manner going to reveal to them some hidden method by which they can increase their profits. We submit that if they could find such methods they would do so without the aid of the minimum wage.

Again, the gentlemen have had the hardihood to suggest that the worker is going to earn more under a minimum wage law. They seem to think that because he will be able to eat more he will do more work. Now, we submit that no ordinary worker is going to work as hard when his wage is fixed by the state and made to depend on what it costs him to live as he will under a competitive system, where he gets what he earns.

But, better than the argument from principle, is the practical experience of those countries which have tried the minimum wage. Let us turn to Australia. It is practically the unanimous opinion of employers as well as other close observers that the workers do not work as well under the minimum wage as before. Mr. Ames, who was sent by the British government to study conditions there, reports as follows: "I think the evidence is conclusive that present conditions in New Zealand are tending, so far as the adult workers are concerned, and over a wide field, toward lower efficiency." In view of this testimony we must conclude that instead of increasing the efficiency of the workers it will have exactly the opposite effect.

Thus we see that the employer is not going to become more efficient, nor will the worker produce more under a minimum wage law. I pointed out already in my first speech that this additional amount could not come out of an increase in the price of the article, nor out of the profits of employers, without causing more unemployment. So we

come back to the fundamental proposition that those who are not now earning the amount of the minimum will have to go out of employment when the law is passed. Again, we can support our argument from principle, by the stern facts as they appear in Australia, to which I have already alluded. The fact then still remains that the medicine will be worse than the disease.

Mr Barr, Second Affirmative.

Only three issues now stand forth as vital to this debate. The gentlemen deny our proposition that poor bargaining position is the cause of low wages, and insist that the real cause is over-supply. They deny our second proposition, that this law can raise wages, and say thirdly, that the law will cause unemployment and make conditions worse.

Upon the first issue, if we grant that over-supply is one cause, we still insist that the weaker reserve power and the inferior knowledge of market conditions are also causes. For instance, hear what is said by Dr. E. H. Downey, of the Industrial Commission of Wisconsin, where they have a minimum wage law for women: "As a matter of fact, the minimum wage law is designed to affect the bargaining position of the workers, rather than the conditions of supply and demand. It is not only because low paid workers are plentiful and easily replaced, but because they are ignorant, unorganized, and without reserves, that wages are low. Hence, I should say that a minimum wage law is needed, even in the absence of any over-supply of the kind of labor in question."

The plan of the gentlemen endeavors to reach the causes of low wages; therefore, it must be shown to reach enough causes to insure the result. The minimum wage law, on the other hand, merely takes one part of the wage field out of the operation of these causes, and removes it entirely from the bargaining struggle. Where the rights of the state begin, namely at the point of physical efficiency, there let freedom of competition stop. Over thirty years ago Francis A. Walker, the pioneer, pointed out that "Nothing can save economic society from progressive degradation except the spirit and power of the lower classes to resist being crowded down." It is because events

since that day have proved that there will always be some without that spirit and power, that the state must step in and protect them with a law.

Upon the second point, the gentlemen have not denied our four reasons why prices will not rise, and they have ignored our proof that other classes will to a large extent pay the higher prices. But even if all these things were conceded, then the whole case of the negative would rest on the proposition that the laborers would be no better off because prices were raised just as much as wages. Test it with a concrete case. Suppose a man is paid $1.00 a day, and the product he makes in one day sells for $3.00, for of course there are other elements in price besides wages. Now he must work three days to buy the commodity. Suppose he is given a $1.00 increase in wages, so that he gets $2.00 a day. Raise the price $1.00 for the day's product, making it $4.00 instead of $3.00; what is the result? Getting now $2.00 a day that man could buy the commodity for two days' labor, where before it took him three days This conclusively proves that real wages are increased.

The third argument of the negative is that men will be thrown out of work, and this is supported only by their assumption that there are many men who are not worth the minimum wage. Now we showed that industry as a whole can afford to pay higher wages, because it is amazingly prosperous, and that wherever the workmen can organize they get higher wages. By the very argument of the gentlemen, the workmen must have been worth more or they could not have obtained it. We showed that it was a weak bargaining position which caused the under-payment. So, unless our opponents can prove why a normal healthy man, willing to work a full day, is not worth enough to keep him normally healthy and able to work a full day, they have not established this point.

Now we insist that the questions which we have repeatedly asked the gentlemen are vital to their own case, and must be answered in their final five minutes. They have all been asked before, but lest they may be forgotten, I will leave them here upon these cards.

Do you believe this country is over-populated? Prove that the unskilled laborer is not worth his living. How will your remedy give the laborers better knowledge of market conditions? How will your remedy give the laborers great-

er reserves? How will your remedy prevent congestion and temporary unemployment? And, ladies and gentlemen, unless these questions are satisfactorily answered in the last rebuttal, we submit that the gentlemen have failed to establish their own case, and that they have not carried the burden of their substitute measure.

Mr. Swanson, Third Negative.

The affirmative tell us that poor bargaining power is the cause for low wages, and that poor bargaining power is due to three causes—first, poor waiting power on the part of the laborer; second, inferior knowledge of labor conditions by the laborers; and third, under-cutting by the laborers themselves. We admit that poor bargaining power produces low wages, but what is the cause for poor bargaining power? In other words, are not the causes for low bargaining power the causes given by the gentlemen of the affirmative? We contend that poor bargaining power is due to an oversupply of labor. The affirmative have admitted that if we limit the oversupply and thus bring about an equilibrium between supply and demand, undercutting will be eliminated. But they still contend that the other two causes will operate to produce low wages. Let us see. If we bring about an equilibrium between supply and demand, we will give to every laborer a job. Instead of having nine million men seeking seven million jobs, we will have seven million men for seven million jobs. In other words, all the laborers will be working.

Furthermore, if we eliminate the oversupply of labor and bring about an equilibrium, the laborers will receive a living wage. If we eliminate the oversupply of labor and give to every man a job, how will inferior knowledge on the part of the laborers regarding labor conditions come into play? When a laborer has a job, what difference does it make whether he knows about jobs in other parts of the country or not? What does a laboring man having a job in South Chicago and earning a living wage care as to the conditions in New York, Baltimore, or San Francisco? It is obvious, then, that if we bring about an equilibrium between supply and demand, poor knowledge on the part of the laborer regarding labor conditions will not have any effect to produce low wages.

The only other cause which the affirmative give for poor bargaining power is poor waiting power. Poor waiting power operates only when a laborer is out of work. It is absurd to say that poor waiting power will operate to produce low wages if the laborer has a job.

We shall now summarize the argument for the negative. We have proved to you, honorable judges, first, that the minimum wage cannot be enforced. First, because it is contrary to the interests of the employer; secondly, because it is contrary to the interests of the employe, the two parties to the labor contract, and the only two parties who can enforce the law. The gentlemen of the affirmative tell us that state officials will investigate, but we ask how can state officials know when there is collusion between employer and employe? Are they going to investigate the pay envelopes to see whether or not a minimum wage has been paid? And, if they can investigate the pay envelope, how can they tell whether that laborer has worked the entire week or whether he has been penalized? The affirmative tell us that the law can be enforced, because they have a minimum wage law in Australia; but, as my first colleague has pointed out, the chief inspector in Australia in his report in 1908 stated: "The laborers are not true to themselves. They sign for the minimum wage and take less." As long as we have an oversupply of labor, which now produces low wages, that same cause will operate when we have a minimum wage to produce evasion of the minimum wage law. And this is the condition in Australia.

In the third place a minimum wage law cannot be enforced, because the states will compete among themselves to induce capital to locate within their borders, and this will result in one of three things: In the first place, some of the states will not enact a minimum wage law; in the second place, if they do enact a law, they will enact a poor or a low minimum wage; and in the third place, if a state should enact a good minimum wage law and find that capital is going to other states with poor minimum wage laws, it will not enforce the good minimum wage law. If the minimum wage law cannot be enforced, it should not be adopted.

Even if a minimum wage law could be enforced, we have proved to you that it will do more harm than good. In the first place, it will only result in a nominal increase in

wages. When wages are high, employers will increase the selling price of the article, and the real purchasing power of the laborer's wage will not be increased. Thus, even if the minimum wage law could be enforced, it would not produce good results. On the other hand, it will produce positively harmful results. First, it will increase the number of the unemployed. No employer will pay to a laborer more than that laborer is worth. My colleague has pointed out that we have to depend upon productivity, and all laborers who are not able to earn a minimum wage will be discharged. John Bates Clark says: "On whatever basis a minimum wage law is operated, it is bound to increase the number of the unemployed." In the second place, the minimum wage law will produce more harmful than beneficial results, because it will have a demoralizing influence upon the workers themselves. Today, competition operates to increase efficiency, and if we remove the pressure of competition from the workers we will remove the force that now promotes efficiency. The laborers, feeling secure because of the minimum wage, will rest on their oars. Turn again to Australia, and we find that soldiering among the laborers is prevalent.

In the third place, we have pointed out the real causes for low wages. And we have pointed out a plan which will eliminate those causes. And because a minimum wage law does not take into consideration these causes, because a minimum wage law will not eliminate these causes, we contend that it should not be established.

We realize that this debate is drawing to a close. What may be said by the last speaker of the affirmative, we cannot answer, but we do ask you to bear in mind these three fundamental objections to the minimum wage. First, can it be enforced? Second, will it produce more harmful than beneficial results? And third, will it eliminate the causes which produce low wages? Failing to disprove any one of these three contentions, the plan of the affirmative must fall.

Mr. Bills, Third Affirmative.

The first question asked by my colleague was: "Why were the teamsters in St. Paul worth more than the teamsters in Minneapolis?" The negative's answer was: "Because the union limited the supply of teamsters in St.

Paul." Did the union by limiting the over-supply give the teamsters of St. Paul any stronger muscles or quicker action in handling boxes and trunks? As a matter of fact did the union limit the alleged over-supply? No; the unions of unskilled include any and all unskilled workmen who either can be coaxed or coerced into membership.

Now, note this: the negative yield us the point that it is not low earning power but weak bargaining power which accounts for the unskilled workman's low wage. In the answer made to the remaining three questions they attribute this weak bargaining power to over-supply.

Have they established the fact of over-supply existing in this country? They have told us that there are two million workmen idle. What authority have they adduced for those figures? None. How did they arrive at them? They took the federal census reports and added together the number of idle days of all unemployed unskilled workmen, little comprehending that some days of unemployment are inherent in our industrial system. For example, the stock yards must have men ready to handle the total run of cattle and hogs on any one of the six days in the week. Actual employment for all of them averages not more than four days in the week. Too, seasonal unemployment is a necessity so long as we have seasons. The negative call your attention to the present over-supply of workmen in this month, January. Do you recall any over-supply of workmen last June? The point of over-supply then we deny as unfounded.

Now, further, the theory that over-supply, if it did exist, is the controlling cause of low wages is unsound. If it were a controlling cause, then, when over-supply does not exist, we should not have the result, low wages. Yet the cause of over-supply does not exist in Victoria, Australia. John Kyles Turner, the accurate historian of that country, declares in the last paragraph of his second volume: "The imperative need of Australia is more industrial labor." Yet, without the cause of over-supply, they have had the result of low wages so persistent that every trade, except the agricultural trades of Victoria, and every state except Tasmania in the whole commonwealth has resorted to the minimum wage as a remedy.

English Member Snowden in the House of Commons on March 13, 1913, declared England had industries badly in need of more labor. Yet, without the cause of over-supply,

they saw that low wages were causing such evil that, during that very session, they extended the minimum wage measure to nine more trades, involving five hundred thousand more workmen.

In our own southern cotton mills, loud is the cry for more labor, yet Florence Kelly, of the National Consumers League, reports that they are the worst "sweating" industries in the country.

Surely, the negative would not insist that Colorado, Utah, Oregon, Wisconsin, Minnesota, Nebraska had an over-supply of female labor, yet they had low wages and consequent bad living conditions, and they passed the minimum wage measure as a means of protection.

No, over-supply is not the controlling cause of the workmen's weak bargaining position—certainly, not an over-supply which can be checked by the negative's remedy, restriction of immigration. As Seager lays down: "There always will be a chronic over-supply of labor in certain trades." For this difficulty the negative's second remedy, government distribution, can do nothing. Distribution or no distribution, men will prefer working in factories to working on farms; women will prefer clerking in department stores to scrubbing in kitchens. There, too, always will be at certain seasons of the year an over-supply and, as Secretary Redfield says, "This kind of over-supply is inevitable as are the seasons inevitable, and government distribution can do nothing for this." Such has been the experience of Belgium with its government distribution offices; it was the first country to resort to the minimum wage. The same with several provinces in Germany; the same with England.

There are three causes for the unskilled workmen's weak bargaining position and their consequent low wage, with physical deterioration and race degeneracy. The first is lack of knowledge of market conditions and market values. Restriction of immigration and government distribution will not give them intelligence. The workmen have no efficiency engineers telling them their values. They have no trade associations and publications indicating the market fluctuations.

The second cause of the unskilled workmen's weak bargaining position lies in their lack of reserve power. They are pitting the contents of their bread boxes against

the computations of their employers' bank books. They are playing the game alone. Their employers play it with the co-operation and combination of the whole employing class. Today seven-eighths of the capital holders of the country could be brought together on this platform.

Finally, under-cutting is the third cause of their weak bargaining position, and this under-cutting is due to trade and seasonal over-supply, which restriction of immgiration and government distribution can in no way affect.

The propositions of the Chicago team in favoring a minimum wage measure are these:

The weak bargaining position of the unskilled workmen and their consequent low wages is resulting in individual deterioration and race degeneracy.

The causes of their weak bargaining position are inherent in our industrial system. Lack of knowledge of market conditions and market values, lack of reserve power and under-cutting always will exist in the ranks of unskilled workmen.

The minimum wage measure, making the wage level of physical efficiency intact by law, and declaring that below this physiological wage level these three causes of the weak bargaining position cannot operate, is the most effective measure of reform.

Further, the experience of both radical Australia and conservative England demonstrates that the measure is practicable in operation.

The necessity of the public paying the cost either through maintaining industrial dependence or independence of the workmen proves that the minimum wage measure securing industrial independence is sound in principle.

And commending the measure above all other remedies is the fact that it makes but a simple response to the demands of plain economic justice.

The Briefs

AFFIRMATIVE.

Introduction.

Definitions:

A. By unskilled workmen is meant laborers, either men or women, whose tasks require no preliminary training or apprenticeship.

B. By schedules is meant different rates for different industries and different conditions of employment.

C. By the states is meant the forty-eight states of the union. Each state is to establish a schedule of wages for its own workmen.

D. By a minimum wage is meant a wage lower than which no employer may pay his workmen, but above which he may pay as he chooses.

Proof.

A. ECONOMIC CONDITIONS DEMAND A MINIMUM WAGE.

I. Millions of unskilled laborers are not getting wages enough to maintain themselves in a state of physical efficiency.
   1. This means ultimately a deterioration of the race.
   2. We pay the cost through charity and public institutions for the care of the poor, the diseased, and the criminal.

II. This condition is not due to inadequate production of commodities.
   1. Annual output of goods has increased because of progress in technique of industry.
   2. Per capita wealth of country has increased.
   3. While masses remain in poverty, rich are accumulating fortunes.

III. This is due to the unequal bargaining power of laborers compared to employers.
   1. Laborer has little knowledge of market conditions.
   2. Laborer cannot wait; immediate work is imperative.
   3. Congestion of laborers requires applicant for a job to take it when and at what terms he can get it.
   4. Organized laborers, who have greater bargaining power, secure higher wages.

B. THE MINIMUM WAGE WILL INCREASE THE REAL WAGES OF THE UNSKILLED.

I. In many cases the increased wage will come out of profits, prices not being increased.

II. In other cases increased efficiency of workmen compensates employer for wage paid, and prices will not be raised.

III. Where a general rise in prices follows, consuming public will bear the burden.

IV. Since workmen consume only a small portion of their own products, their real wages would be considerably increased.

C. THE MINIMUM WAGE IS SOUND IN THEORY.

I. An industry which pays less than a living wage is parasitic and should not exist.

II. Society has no right to goods produced at less than living wages.

III. In any event, society has to pay the cost one way or another.

1. If a living wage is not paid,
   a. The race will deteriorate from slow starvation; or
   b. Those getting less than a living wage must be cared for by public charity.
2. It is far better to pay this cost directly through living wages than indirectly through charity.
   a. Physically efficient workmen produce more than the weak and unfit.
   b. It leads to a better type of citizenship.

D. A MINIMUM WAGE IS PRACTICABLE IN OPERATION.

I. Each state may appoint a commission of non-partisan experts, with wage boards for each industry.

1. Wage boards composed of representatives of the employers, employes, and outside public.
2. Board recommends to state commission a minimum wage high enough to maintain laborer in physical efficiency.

II. The wage fixed can be enforced.

1. The employer who offers less would not obtain workmen.
2. Employers who offer less would be reported by laborers themselves to the wage boards.
3. Such employers subjected to fines greater than the wage difference.

III. The minimum wage has proved successful in operation.

1. In Australia and New Zealand for a period of fifteen years.
   a. Both employer and employes are in favor of it.
   b. Now covers most of the trades of the country.
2. Adopted for women and minors in seven states in this country.

NEGATIVE.

Introduction.

1. The minimum wage strikes at the heart of the individualistic system of society on which our progress has been built.
2. It attempts by law to set aside the free play of economic forces.
3. It attempts to fix wages not by laws of supply and demand, but by a mere arbitrary fiat of the state.

Proof.

A. THE MINIMUM WAGE CANNOT BE ENFORCED.

I. Nine million unskilled workmen in the United States for seven million jobs.

II. Employer will secretly bargain with individuals making legal minimum a dead letter.
  1. "Triangle" fire in New York City.
  2. Example of Australasia.

III. Impossible to prevent secret underpaying.
  1. Would require presence of an officer of the law at making of each wage agreement; or
  2. Inspection of each pay envelope by an officer.
  3. If deficit discovered, it would be necessary to show:
    a. That worker had not taken time off;
    b. That he had not incurred penalty.

IV. Impossible to secure harmonious action by forty-eight separate states.
  1. States having no minimum wage would attract industries from other states.
  2. States having high minimum wages would attract laborers.
  3. Capital and labor would be divorced, capital going where wages were low, and labor where wages were high, with the result that neither could be employed.

V. Impossible to find a fair basis for a minimum wage.
  1. Immigrant standard of living too low for Americans.
  2. American standard of living is high for immigrants.
  3. Standard of living largely psychological, rising as soon as attained.

B. EVEN IF ENFORCEABLE, MINIMUM WAGE COULD NOT BETTER CONDITION OF THE MASSES.

I. Wages determined by supply and demand for laborers.
  1. If supply is small relative to demand, wages will be high.
  2. If supply is large relative to demand, wages will be low.
  3. Minimum wage neither increases demand for, nor reduces supply of labor; hence cannot increase wages.

II. Would raise prices of commodities.
  1. Average employer cannot pay increased wages out of profits.
  2. Only alternative is to increase prices.

III. Would cause unemployment.
  1. Rise of prices means a lessened demand for product.
  2. Decreased demand for product means decreased output.
  3. Reduced output means less demand for labor.

IV. Would not increase real wages.
  1. High prices mean costlier goods for the laboring classes.
  2. Whether wages are high or low, prices adjust themselves thereto.

C. RESTRICTION OF IMMIGRATION THE PROPER REMEDY.

I. Cause of low wages is oversupply of labor.
  1. Census shows nine million men competing for seven million jobs.
  2. Twenty-two per cent of population out of employment a large portion of every year.
  3. In Chicago more than 100,000 unemployed today.

4. Men out of work underbid those working and force wages down.

II. This oversupply of labor is due to immigration.
   1. Before 1880 immigration mainly from Northern Europe settling on farms.
   2. Later immigration from Southern and Southeastern Europe, congesting labor market in cities.

III. Large per cent of this immigration can be cut off by law.

IV. Restriction of immigration will gradually raise wages; when labor is no longer a drug on the market, wages will advance.

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